

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION POLICY COMMITTEE MEETING**

April 16, 2008
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Keno Hawker, Mesa, Chair
Councilmember Ron Aames, Peoria
Kent Andrews, Salt River Pima-Maricopa
Indian Community
Councilmember Maria Baier, Phoenix
Vice Mayor Gail Barney, Queen Creek
* Stephen Beard, SR Beard & Associates
Mayor Steven Berman, Gilbert
* Dave Berry, Swift Transportation
* Jed S. Billings, FNF Construction
Mayor Bobby Bryant, Buckeye
Mayor James Cavanaugh, Goodyear
Mayor Boyd Dunn, Chandler

Mayor Hugh Hallman, Tempe
* Eneas Kane, DMB Associates
* Mark Killian, The Killian Companies/
Sunny Mesa, Inc.
Felipe Zubia, State Transportation Board
Mayor Marie Lopez Rogers, Avondale
Mayor Mary Manross, Scottsdale
* David Martin, Citizens Transportation
Oversight Committee
David Scholl
Mayor Elaine Scruggs, Glendale
Mayor Lyn Truitt, Surprise
Supervisor Max W. Wilson, Maricopa County

* Not present
Participated by telephone conference call
+ Participated by videoconference call

1. **Call to Order**

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Keno Hawker at 4:03 p.m.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

Chair Hawker noted that Vice Mayor Barney, Mayor Bryant, Mayor Dunn, Mayor Hallman, Mayor Lopez Rogers, Mayor Manross, and Mr. Scholl were participating by teleconference.

Chair Hawker announced that a memorandum reporting the unanimous recommendation of the MAG Management Committee on agenda items #4C and #4D was at each place. Additionally, an updated summary transmittal for agenda item #4B and a Bill Summary Chart for agenda item #7 were at each place.

Chair Hawker noted that transit tickets for those who used transit to attend the meeting and parking garage ticket validation were available from MAG staff.

3. Call to the Audience

Chair Hawker stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard. It was noted that no public comment cards were received.

4. Approval of Consent Agenda

Chair Hawker stated that agenda items #4A through #4D were on the consent agenda. He stated that public comment is provided for consent items. He noted that no public comment cards had been received. Mayor Truitt moved to recommend approval of the consent agenda items #4A, #4B, #4C, and #4D. Councilman Aames seconded, and the motion carried unanimously.

4A. Approval of February 20, 2008 Meeting Minutes

The Transportation Policy Committee, by consent, approved the February 20, 2008 meeting minutes.

4B. Project Changes: Amendments, and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program

The Transportation Policy Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2008-2012 Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2007 Update, as shown in the attached table. The FY 2008-2012 MAG Transportation Improvement Program (TIP) was approved by Regional Council on July 25, 2007. Since that time, there have been requests from member agencies to modify projects in the programs. The proposed amendments and administrative modifications to the FY 2008-2012 TIP are listed in Table A. The amendments include adding the noise reduction study at ADOT, repackaging of two City of Tempe projects into one, and adding six Transportation Enhancement Projects that were approved by the ADOT Board in November 2007. An administrative modification does not require a conformity determination. The Transportation Review Committee and the Management Committee recommended approval of these project changes. Since the Management Committee's recommendation, an additional project identified by the City of Chandler requested a modification.

4C. ADOT Requested Change to Statewide Transportation Acceleration Needs (STAN) Projects

The Transportation Policy Committee, by consent, recommended approval of the ADOT request to decrease the funding by \$1.0 million for the I-10: Sarival to Verrado Way project and increase the funding by \$500,000 each for the L303: Bell Road crossing and for the L303: Cactus and Waddell Road crossing projects. ADOT requested that a small change in the funding from the Statewide Transportation Acceleration Needs (STAN) account that was approved by MAG in December 2006 be modified slightly to decrease the funding by \$1.0 million for the I-10: Sarival to Verrado Way project and increase the

funding by \$500,000 each for the L303: Bell Road Crossing and for the L303: Cactus and Waddell Road Crossing projects. This has determined that the \$1.0 million is not required to complete the I-10 project and the additional funding is needed for the L303 projects. There is no fiscal impact on the MAG Freeway Program. The Transportation Review Committee and the Management Committee recommended approval of the project changes.

4D. MAG Commuter Rail Strategic Plan

The Transportation Policy Committee, by consent, recommended acceptance of the Commuter Rail Strategic Plan as the guiding implementation framework for commuter rail, and for MAG to proceed with the first four implementation steps identified on page nine of the Executive Summary: 1) Ongoing Coordination; 2) Union Pacific Passenger Rail Coordination; 3) Burlington Northern Santa Fe Railway Coordination; and 4) Regional Transit Planning. Since February 2007, MAG has been working on a Commuter Rail Strategic Plan, which will establish a framework for implementing commuter rail service in Maricopa County and northern Pinal County. The MAG consultant provided project briefings to the Management Committee, Transportation Policy Committee, and Regional Council in November and December 2007. The Transportation Review Committee and the MAG Management Committee recommended acceptance of the Commuter Rail Strategic Plan, and for MAG to proceed with the first four implementation steps identified on page nine of the Executive Summary: 1) Ongoing Coordination; 2) Union Pacific Passenger Rail Coordination; 3) Burlington Northern Santa Fe Railway Coordination; and 4) Regional Transit Planning.

5. Transportation Planning Update

Eric Anderson, MAG Transportation Director, stated that the agenda packet included a memorandum that covers the aspects of work by MAG staff in the statewide transportation planning effort. Mr. Anderson displayed a pie chart of staff's understanding of the modal allocations in the ADOT critical needs package. He said the chart had been developed based on a briefing a couple of weeks ago, although the details of the projects have not been handed out nor are they publicly available. Mr. Anderson remarked that the details also may have changed since the briefing.

Mr. Anderson stated that the ADOT critical list needs represents a \$42.5 billion statewide package, which would be funded by a one-cent statewide sales tax over thirty years. He noted that regional or statewide impact fees might be a part of the package to cover some of the costs of growth. Mr. Anderson stated that the pie chart shows \$25.6 billion for highways, \$4.26 billion for streets, with the possibility that the funds could be flexed to other modes, and \$1 billion to light rail. Mr. Anderson stated that from the material staff had seen, it appears \$600 million would go to the MAG region. He stated that the package also includes \$6.5 billion for rail, such as high speed passenger rail service between Phoenix and Tucson, commuter rail service in the MAG area, and possibly rail service to Ash Fork or Williams Junction. Mr. Anderson stated that other transit includes \$1.2 billion to provide a basic level of transit service in the rural areas.

Mr. Anderson stated that the package includes a public/private partnership inducement fund to provide matching funds for public/private partnerships. He stated that approximately \$2.12 billion would be allocated as enhancement funds, patterned after the federal enhancement funds program, for non motorized transportation and aesthetic treatments on transportation projects.

Mr. Anderson stated that the four dimensions of equity could be useful in evaluating a plan. He noted that the dimensions were taken from a report developed in California. Mr. Anderson stated that the first dimension of equity is funding: What is the funding source and who pays? The second dimension of equity is participation: Is there broad ownership of the plan? He noted that there was extensive input on Proposition 400, and that participation resulted in ownership of the plan. Mr. Anderson stated that the third dimension of equity is long-term impacts: What problems are being addressed—congestion, mobility options, connectivity? The fourth dimension of equity is access: What is the return on investment (donor/donee)? Mr. Anderson noted that federally, Arizona receives 91 cents in return for every dollar. He noted that Maricopa County generates two-thirds of the sales tax statewide, and if Maricopa County received back this amount, there would probably not be enough remaining to accomplish significant improvements in other parts of the state. Mr. Anderson noted that Maricopa County residents use and enjoy the statewide system and the County's economic vitality depends on a good transportation system.

Mr. Anderson reviewed the key federal planning requirements that MAG must follow. He noted that at the recent federal review of MAG's planning process, MAG was commended for its planning process. The federal reviewers also noted that other sessions do not go as smoothly as MAG's, which is probably a result of MAG paying close attention to the federal regulations.

Mr. Anderson stated that federal regulations require that transportation plans be cooperatively developed with the departments of transportation and the Metropolitan Planning Organizations (MPOs). He remarked that this means the state cannot impose transportation plans on regions. Mr. Anderson stated that MAG is fortunate to have a good relationship with ADOT. He noted that when the MoveAZ plan was put together, the freeway portion of the ADOT plan was from the MAG plan.

Mr. Anderson stated that in nonattainment areas like the MAG region, the MPO shall not approve any transportation plan, program, or project that does not conform with the State Implementation Plan. He commented that this means that while working with ADOT on a statewide needs list, MAG cannot officially provide a list of projects that has not gone through air quality conformity analysis. Mr. Anderson stated that staff met with the consultant and pointed out increased freeway construction cost issues and that additional funds are needed for the I-10 Collector Distributor System and I-17.

Mr. Anderson stated that the Governor has spoken about the "time tax," which is the amount of time traffic congestion costs residents. He said that a study by the Texas Transportation Institute shows this amounts to 82 million person hours per day in Maricopa County, and an annual cost of \$1.7 billion in terms of delay in 2005.

Mr. Anderson stated that there will be an increased demand for transit due to high fuel prices, an aging population, and perceived environmental benefits. He also noted that a significant increase in public demand is expected following the opening of light rail. Mr. Anderson stated that the preliminary findings of the Transit Framework Study are expected the end of 2008 and the final report in early 2009.

Mr. Anderson stated that in addition to increased costs and needing additional funding for I-10 and I-17, the MAG region could accelerate Proposition 400 projects. In addition, gateway routes could use attention. Mr. Anderson noted that the Governor's package included \$4.2 billion statewide for local street needs. He stated that MAG staff estimated a \$9 billion shortfall for local streets in this region alone. Mr. Anderson noted that this is for basic maintenance and operations, not new streets. He

advised that municipalities are using significant amounts of general funds to pay for streets, largely due to the gas tax not changing since 1991. Mr. Anderson noted that the MAG region represents approximately 60 percent of the population, 69.5 percent of the employment, 67 percent of the sales tax generation, and 59.6 percent of the gasoline sales.

Chair Hawker noted that the transportation survey showed 52 percent of the miles traveled in the state were in Maricopa County and asked if this figure might be added to the data chart. Mr. Anderson stated that this number might not be the most accurate because the data were obtained from a sample of streets.

Mr. Scholl asked Mr. Anderson how the groups will come together on a single proposal. Mr. Anderson replied that he could not speak directly to the Governor's package and the reactions of colleagues because he had not had those discussions. However, generally, MAG's relationships with the state's Councils of Governments (COGs) has been very good and they see the need for good cooperation in the development of a statewide solution for transportation. Mr. Anderson commented that they have provided information and been briefed, but he thought there has been disappointment there has not been more involvement of the COGs and MPOs in the development of the package.

Mr. Scholl asked Mr. Anderson if he expected the Legislature to take this up and if there is concern that there might be additional ballot measures from the Legislature to add to this effort. Mr. Anderson replied that they heard the TIME Coalition is considering running a voter initiative campaign. He said that to do that, the initiative language has to be developed and to the Secretary of State's office by July 3, 2008. Mr. Anderson added that it would require 153,000 valid signatures, which means collecting 200,000 to 250,000 signatures in the next couple of months. He stated that he was unaware of a bill or any statewide referendum at this time. He indicated that he thought it would be difficult to get the Legislature to coalesce around a referendum question given the current negotiations in the state budget, and even the initiative route will be challenging.

Mr. Scholl stated that there has been concern that competing pieces of legislation might pass. He suggested using the initial Governor's Office package as a starting point by the COGs and MPOs to keep everyone on the same page with a single measure as a goal.

Mayor Cavanaugh stated that as Chair of MAG and the Arizona COG/MPO Association, and Co-Chair of the BQAZ Policy Group with Felipe Zubia, he thought that the initial response of some persons was that a 2008 election was too soon. He said that they felt they should rely on a comprehensive plan and go to the voters one time only. Mayor Cavanaugh stated that they want to come to a solution and want everyone to be a winner.

Mayor Cavanaugh stated that the transportation crisis is everywhere and the Governor is being proactive and doing what she thinks is right. He remarked that responding quickly as the Governor wants makes sense. However, a long term plan reached through framework studies is important because it integrates the transit, freeway, and road relationships. Mayor Cavanaugh stated that there is concern with the equity issue. Some counties in Arizona are already taxed for transportation and some are not. He commented that this bothers some who do pay. Mayor Cavanaugh stated that a one percent sales tax is onerous to municipal leaders because it reduces the flexibility for municipal budgets and sales tax will be maxed out. Mayor Cavanaugh stated that sales taxes are the easiest and quickest revenue source, and may not be the right revenue source for transportation. Mayor Cavanaugh stated that there are other revenue sources for transportation, but there is no way to utilize them and still be on the ballot in 2008.

He suggested a strategic plan for transportation with two taxable components. The first component is to have a 2008 election in which the critical needs total is reduced to \$15 billion to \$20 billion. Mayor Cavanaugh explained that this would result in not exceeding one-half of one percent sales tax for transportation; and no county would pay more than .75 percent in sales tax for transportation. Mayor Cavanaugh stated that this resolves the equity issue fairly well. He stated that the second component would be using the information from the framework studies toward development of a long term plan for transportation in the state. Mayor Cavanaugh commented that this makes our position more defensible in selecting the right revenue sources, whether they be toll roads, impact fees, gas taxes, or sales taxes. He remarked that time is needed to do that. Mayor Cavanaugh added that going to a 2012 election allows inclusion of the federal government, which cannot be accomplished for a 2008 election. He expressed his respect for what the Governor is doing, but local elected officials have to be responsible to their cities. Mayor Cavanaugh stated that cities and towns cannot afford to have a one percent sales tax for transportation and still do other things. He remarked that the framework studies are worth interest and attention and will derive something defensible to citizens in 2012.

Chair Hawker commented that Mayor Cavanaugh's proposal was those who already pay a sales tax for transportation would pay one-quarter cent, and those who do not pay any sales tax for transportation would pay a half-cent.

Councilmember Aames asked about the term of the sales tax. Mayor Cavanaugh replied that he thought the term would remain 30 years.

Supervisor Wilson asked about increased costs if projects were delayed two years. Mr. Anderson replied that costs could increase an additional ten to fifteen percent. He also advised that the regional freeway program totaled \$4 billion and it was not clear if more projects could be accommodated, anyway, due to industry capacity. Mr. Anderson indicated that he thought cost increases over the next five years could be managed. He added that needs in the short term in this region are less than in other parts of the state, because of Proposition 400.

Councilmember Baier stated that the City of Phoenix does not have an official position or statement at this time, but is interested in equity in terms of a fair return from what is collected in this region.

Mayor Scruggs complimented Mayor Cavanaugh on a well-presented platform. She indicated her support with all points he made as premises. Mayor Scruggs expressed her interest in his solution of bringing equity. She recalled that at the WESTMARC meeting, equity was a huge discussion. Thirteen counties would get everything paid for them and two would not. Mayor Scruggs stated that she would be interested in seeing where the dollars would be shaved off if the Maricopa and Pima taxes dropped to .25 percent. She said that she thought commuter rail, with its large capital and operating expenses, would be dropped off. Mayor Scruggs stated that the Glendale City Council has taken no position because it has not had a briefing. She commented that in general, they feel the West Valley needs have been disregarded and no consideration has been given.

Mayor Dunn stated that Mayor Cavanaugh's proposal was an interesting concept. He asked for clarification if the equity argument included the dedicated revenue of individual cities, already committed or that may be committed in the future to transportation. Mayor Cavanaugh replied that was not a part of his concept. He noted that his concept was to stay to Proposition 400 as the basis for Maricopa County.

Mayor Dunn noted that his City Council had not been briefed. He stated that for his city's needs, it intends to pursue a sales tax for transportation needs. You can only go to the well so many times for sales taxes. Mayor Dunn expressed it was a concern of his that if Mayor Cavanaugh's concept was used, it probably should include what sales taxes individual cities have.

Mayor Cavanaugh stated that there would be a one-percent sales tax to be utilized for transportation requirements statewide, and some people's argument is "What will we gain?" He stated that there is a concern with equity and with Maricopa County being a donor.

Councilmember Aames asked if that is linked to Proposition 400. Mayor Cavanaugh stated that possibly you could account for some Proposition 400 revenue with this money. He said that they are in the process of discussing whether shortfalls in funding are intended to be backfilled by this sales tax, but nothing definitive has been decided.

Chair Hawker expressed his appreciation for the donor/donee discussion and the concept of ratcheting down the total percentage paid by a county. He stated that his questions were: Does the TPC take a position? And if the TPC takes a position, how? Chair Hawker stated that if this gets into an acceleration or backfilling, the TPC needs to ensure projects stay in order because someone else is putting this on the ballot. Chair Hawker stated that this discussion in a generic sense shows other options and ways to make this work. The economy is important to the state and Maricopa County is the driver, but so is the entire transportation network. Chair Hawker stated that citizens favor statewide mobility somewhat on the donor side, but it becomes an issue of degree.

Mayor Hallman expressed his appreciation for Mayor Cavanaugh's concept. He stated that it is important in this instance for the TPC to decide how best to engage in solving transportation issues. If mobility is difficult, it will be challenging to attract business to communities. Mayor Hallman stated that he was somewhat amused by the donor/donee discussion because Tempe has been a donor to the county's transportation system, and the county has been a donor to the state. He commented that residents travel outside the county and enjoy the state's amenities. We need to decide if we will address the issues together. Mayor Hallman stated that he becomes concerned when he hears decisions being made regarding a specific county or community not getting a desired return. He remarked that this year, Tempe will receive very little benefit from transportation amenities provided outside its community. Mayor Hallman stated that Tempe faces mostly arterial streets congestion within the community. Tempe recognizes that the state needs to deal with massive congestion on freeways as Maricopa County's congestion increases, with solutions such as commuter rail. Mayor Hallman suggested the TPC not have a role in this specific debate because the TIME Coalition will either be successful in gathering enough resources, mounting an initiative campaign, and getting needed signatures, or they will not. He stated that if the TIME Coalition is successful, it will need to engage the TPC and the cities and towns to support their proposal. Mayor Hallman stated that Mayor Cavanaugh's suggestions are well worth pursuing.

Councilmember Aames stated that the needs in Maricopa County are greater, such as looking at commuter rail. Maricopa County is not starting with the same base because it has greater needs.

Mayor Scruggs stated that commuter rail is going to Pima County and the problem is why would it not be considered as a part of equity. She referenced what Mayor Dunn said regarding Mayor Cavanaugh's approach of equity, cities have their own taxes and should not be removed from the table. Mayor

Scruggs stated that it is important to think about which jurisdictions or counties receive what services. She remarked that once a tax goes through, it is a strong limiting factor to cities raising their own taxes for their own needs. Mayor Scruggs stated that the question is whether jurisdictions are willing to go forward and raise funds for projects that will happen regionally and statewide, but the continual addition of other taxes diminishes the ability of individual jurisdictions. She indicated that it was important to look at what each jurisdiction will derive from this. Mayor Scruggs stated that she would like to leave Mayor Dunn's and Mayor Cavanaugh's thoughts on the table because they deserve serious consideration.

Councilmember Aames stated his agreement to leave Mayor Dunn's and Mayor Cavanaugh's comments on the table, but his thinking was if there is not reasonable equity, Maricopa County voters might not support the tax. If they see that commuter rail goes to Tucson only, they might not vote for it. Councilmember Aames stated that perhaps equity needs to be built into the projects.

Chair Hawker stated his appreciation for the comments that cities that have taxed themselves should not be penalized because they do not have as many projects to submit for a statewide plan.

6. Role of Transportation Policy Committee Regarding Statewide Transportation Planning

Chair Hawker stated that he had asked for this item to put on the agenda because of discussion about the TIME Coalition moving forward. He said that MAG did not put out a list of projects because of the restrictions on including projects without an air quality analysis. Chair Hawker requested that an explanation be provided on the air quality restrictions in Maricopa County that the other counties do not have.

Dennis Smith, MAG Executive Director, stated that the composition of the TPC was brought forth by Chair Hawker, Mayor Scruggs, and other elected officials in 2002. The Regional Council approved the composition, and the Legislature adopted it and put it into state statute. Mr. Smith stated that the statute is explicit that the TPC is involved the Regional Transportation Plan process, and amendments to the Transportation Improvement Program and Regional Transportation Plan, etc. He explained that federal regulations require that MAG's transportation planning is conducted in cooperation with ADOT and inserted into the state plan. Mr. Smith advised that these plans need to be the same because MAG is doing air quality analysis on the Regional Transportation Plan and the Transportation Improvement Program. Mr. Smith stated that the Maricopa County region is a nonattainment area and has to fulfill certain requirements of the Clean Air Act. He noted that if something is approved by the voters, MAG would be in the position of accepting it or denying it. Mr. Smith noted that federal regulations require MAG to develop the plan in cooperation with ADOT.

Chair Hawker asked if the Clean Air Act requirements applied to all projects. Mr. Smith replied that the requirements apply to all regionally significant projects.

Chair Hawker stated that if the \$42 billion statewide election passed and several projects overlap, such as I-17, it is unknown right now if that lines up with the MAG transportation plans. Mr. Smith stated that in 1994, Proposition 400 failed. He reported that Governor Symington's plan removed the Paradise Freeway, Grand Avenue, and other projects. In January 1995, the Governor's plan was submitted to the Regional Council who was put in the position of agreeing with the proposal. Mr. Smith stated that none of those projects proposed then could have been built without running a conformity analysis. In 1996,

MAG saw additional revenue and worked with the Governor's office on additions to the plan. Mr. Smith stated that this was an example of doing things fast. Decisions were made quickly, without data, and there was not time to get it done right.

Chair Hawker asked how the TPC would engage in the process, that is, moving forward with or without projects. Mr. Smith stated that MAG staff was directed by the TPC and Regional Council to work cooperatively with ADOT and look at projects that had gone through the MAG planning process and also to talk to them about our cost issues. Mr. Anderson stated that in spring 2007, the Governor issued the Transit Executive Order. In response, MAG, in a quick turnaround, provided to ADOT a package that included additional buses, light rail extensions, commuter rail, additional funding for dial-a-ride, paratransit and vanpool.

Mr. Zubia said he did not think there will be any specific references to plans in the initiative. He stated that the initiative is talking about funding, not plans, because of requirements. Mr. Zubia stated that this is a privately funded, non-government organization drafting the language for the initiative, and they can do what they wish and do not need permission. He stated that Mayor Cavanaugh was very eloquent on the equity issue and he thought his ideas are worth thought and consideration. Mr. Zubia commented that he thought if the basis is based on equity at the micro level, nothing ever gets done. He stated that there is a group working toward getting the initiative on the ballot. The issue is how can MAG influence it and what will it look like to address needs as best we can? He commented that MAG can take either the position to support or oppose. Mr. Zubia stated that the signatures for the ballot are needed by July 3, 2008. What if this is accomplished and the TPC has not participated?

Mayor Scruggs asked for clarification that MAG will have the choice to accept or decline funds. She asked if accepting means going through the process in state law. Mr. Smith replied that MAG would have to identify projects, code them into the model, run the model, and bring back the amended Plan and TIP for MAG approval. He noted that the projects on the list are unknown. Mr. Smith noted that state law says priorities are set by MAG.

Mayor Scruggs commented that Mr. Zubia was correct--this is a privately funded group who can proceed without contacting MAG. However, they are choosing to contact MAG because they would like the local elected officials to influence their voters. Mayor Scruggs stated that for elected officials to do that, they must be able to tell the voters why this tax is a good thing for them. To say a plan is not needed and to not be concerned with equity is not the right way to go. Mayor Scruggs stated that constituents know their local elected officials and ask how this will help them. She said it is important to have a plan to be able to say if this will help their quality of life. Mayor Scruggs added that taxes usually pass or fail based on the voters' perception of how their quality of life will be affected. She stated that she understood this election is expected to draw an 80 percent voter turnout. Mayor Scruggs stated that the equity issue was raised because that is one of the questions voters will ask. They need to go to someone for answers, and that is usually the elected official. Mayor Scruggs expressed that she hoped Mr. Zubia would not view her concerns as parochial or selfish--they are important questions the voters will ask. She stated there is also the question on whether the money can be utilized if approved.

Chair Hawker stated that the concern is not only how the pots of money will be divided, but also how it will be allocated to specific projects. The discussion ensuing would be similar to the Proposition 400 deliberations. Chair Hawker stated that he viewed delaying the selection of specific projects as detrimental because voters could not be told what they will get for their communities.

Supervisor Wilson expressed concern with the debt the state would be assuming. He stated that the federal government was going to build freeways and then was unable to do this. The responsibility to build and maintain them passed to the state, and has now fallen to the sales tax of the cities. Supervisor Wilson stated that a more intensive examination of this is needed. He commented that it was difficult to him to see where this was going for the state with the debt it is facing, unless the cities will take on the debt with a sales tax. Supervisor Wilson expressed his agreement that this seems to be hurried; the more discussion, the more questions there are.

Councilmember Baier expressed her agreement with comments made by Mayor Scruggs and Mr. Zubia. Regarding Mayor Scruggs' comments, she expressed her agreement that those who have made an investment should not be punished for making that investment. Councilmember Baier stated her appreciation for Mr. Zubia's explanation of the mechanics of the process. She said that until the provisions are seen, it will be difficult to see how the concepts interact with the Voter Protection Act. With the Supremacy Clause argument, we will have to adhere to federal guidelines, but if it is statewide initiative, we will have a difficult time changing the provisions. Councilmember Baier stated that until we see the language of the initiative, we need to look at the provisions and how they deal with the Voter Protection Act, allocations and the Clean Air Act. Until then, it will be difficult to arrive at a logical conclusion.

Mr. Zubia apologized that his comments were taken harshly. He expressed appreciation to Councilmember Baier for understanding he was not implying that identifying benefits to citizens of their communities was unimportant. Mr. Zubia stated that he was dealing with the timeline only and how the TPC could participate. The TPC needs to evaluate what it knows, figure out a timeline, and say whether it supports it or not. Mr. Zubia stated that the timeline is short and the TPC cannot control that. The question is, does the TPC want to look at the provisions from the TPC viewpoint as a body and influence the 2008 package or not? Mr. Zubia expressed that it appears it is being done on an individual basis.

Chair Hawker stated that if the TIME Coalition is not coming to the elected officials, the elected officials would not be as likely to support it. He commented that if he was given more materials and data as tools that could help show how projects will handle congestion and by what means they are proposing it, then he might support the initiative. Chair Hawker stated that he has not seen an explanation of how the \$42 billion will minimize congestion in Arizona.

Councilmember Aames stated that there is little time left and not much the TPC can influence anymore. Councilmember Aames stated that voters will ask elected officials if they should support the tax. He stated that one percent is a lot of money. It is a dilemma that goes back to the TIME Coalition helping us understand where the money will be spent.

Mayor Berman stated that his town is experiencing a financial shortfall because revenue is down. He added that feedback they are receiving is to raise taxes to provide essential services. Mayor Berman said that he would be surprised if this tax passes because people already think their taxes are going to be raised. He stated that this is coming at a time when cities and towns have less money to spend, although he appreciated the effort to support transportation throughout the state.

Mayor Manross stated that many of her sentiments had been expressed, and she echoed Mayor Scruggs' comments. She stated that Scottsdale has been taxing themselves for transportation since 1989. Mayor Manross stated that everyone is aware there are congestion issues and she believed that it is how the

issue is framed. How much preparation you do and how inclusive you are is how successful you are. Mayor Manross stated that this process has come so quickly and has not been inclusive. She said that Scottsdale has not seen any evidence of return or benefit, even though it probably will contribute ten percent of the statewide total. Mayor Manross stated that it took years for the TPC to develop Proposition 400. She commented that Scottsdale was a donor and was glad to have done it, but how could she say to her voters that Scottsdale will contribute \$100 million per year and see nothing that will impact their city or be even close to equity? Mayor Manross stated that Scottsdale recently passed a \$2 billion, 20-year transportation plan that took a couple of years to develop. She said that her residents will ask how can Scottsdale contribute \$100 million to a statewide plan when it has \$2 billion in needs itself. Mayor Manross stated that they need answers to these questions.

Mayor Lopez Rogers stated that this is funding, not a plan. As we move forward, expanding the base of sales tax will help everyone. She said that local allocations and percentages are areas that are probably key if MAG is going to support this. Chair Hawker asked for clarification of expanding the base of the sales tax. Mayor Lopez Rogers replied that there are items not subject to sales tax.

Mayor Cavanaugh stated that one can argue the exclusivity of this process, but ADOT and the Governor have been seeking MAG's input. He expressed his appreciation to ADOT Director Victor Mendez for that. Mayor Cavanaugh stated that he expected what is on the project list will be known soon. He stated that he had mentioned a two-part proposal earlier in the meeting. The first part would be to get out an effort smaller than the Governor's plan in 2008. Mayor Cavanaugh stated that this would not provide the inclusiveness that some desire, but that would be provided in the second part, which is the long-range, 50-year plan and how to fund it. Mayor Cavanaugh stated that some things cannot be resolved in the next two months. He suggested Mr. Mendez present a list to the TPC and indicated his belief that the TPC still can influence this process. Mayor Cavanaugh expressed that there is probably greater merit to influence this as a group than as individuals. He stated that a quick conclusion is needed and the TPC would not be able to discuss this as it did Proposition 400. Mayor Cavanaugh stated that he would support that for a role for the TPC, but would defer to whatever the rest of the TPC members wanted.

Chair Hawker asked for clarification of the role of Mr. Mendez if an independent body is collecting signatures, outside of conforming to what is passed on the ballot. Mayor Cavanaugh noted that Mr. Mendez was asked by the Governor to determine critical needs in the state. He provided a list that was quite large and the Governor asked him to reduce it, which he did. Mayor Cavanaugh stated that this list is primarily an ADOT list and is responsive to the TIME Coalition's desire to go for a 2008 vote.

Chair Hawker asked if the TIME Coalition was going to run on the ballot the needs list created by Mr. Mendez that was adjusted throughout the state. Mr. Zubia said that Mr. Anderson's presentation skipped over a lot of that detail. He stated that Mr. Mendez met with the COG Directors and District Engineers throughout the state.

Mr. Anderson stated that MAG staff had discussions with the ADOT consultant on a critical needs list and provided quite a bit of information. He reported that the briefing he received lasted about ten minutes and contained little of the input they provided on that list.

Mr. Zubia stated that ADOT was directed by the Governor to come up with the needs throughout the state. He said that the TIME Coalition was using that as the basis to figure out the funding amounts

needed. Mr. Zubia added that the TIME Coalition will be independently floating an initiative that will not be done by ADOT or the Governor's office.

Mayor Scruggs stated that many West Valley cities provided their critical needs to Jack Lunsford of WESTMARC and the East Valley cities provided their critical needs to Roc Arnett of East Valley Partnership, who passed them on. She said that she assumed that other areas of the state provided their critical needs in a like manner. Mayor Scruggs stated that they presented their critical needs, but someone decided the critical needs did not agree with their critical needs or saw more critical needs. She said she did not see how the TPC will be able to influence this positively. Mayor Scruggs stated that they provided their critical needs, but they are not enough to make it on the plan that is really not a plan.

Mr. Zubia stated that ADOT met with the District Engineers and the COG Chairs and staff. He said that MAG, because of its unique position with air quality conformity issues, chose not to take an official position. Mr. Zubia remarked that he was not sure if the TPC heard this or if it was a decision of the MAG Executive Director. He noted that this is why back channels were used.

Mr. Smith stated that the decision of how MAG would interface with ADOT was recommended by the TPC and approved by the Regional Council. He stated that staff followed their direction.

Mr. Zubia stated that he was just trying to show why it was not done officially through MAG. He explained that it was not done that way throughout the state, just at MAG. Everyone else had direct input.

Chair Hawker recalled being present at those meetings when instruction was given to MAG staff not to take a position, because the priorities and policies had not been set out as an organization.

Councilmember Aames stated that Mayor Cavanaugh had provided good statements. If the TPC could get a list, they could discuss it. He asked if a list was available. Mayor Cavanaugh stated that there is a package that is currently being refined.

Mr. Zubia stated that he might look at this from a different perspective because he was not an elected official. He said that he thought the TPC could participate and influence the process. Mr. Zubia noted that MAG might not be able to be project-specific, but perhaps there was a way MAG could say affirmatively that there is a transportation issue, there is a funding issue, and an amount of funding is needed in Maricopa County, and then determine the funding allocations through the MAG process. He stated that with the abbreviated timeframe, he thought there needed to be consensus that there is an issue, one important enough to present to the voters. Mr. Zubia stated that he thought a quick decision was needed as to how the TPC was going to participate.

Chair Hawker stated that he would welcome any presentation that included more data, which were lacking for him to be able make a decision as to whether it would benefit Mesa. Chair Hawker stated that if there was a dollar magnitude, the TPC could present those project discussions to see if there is concurrence. He expressed his appreciation for all of the discussions on the different perspectives and allowing this to be on the agenda.

Mr. Anderson stated that it would be extremely helpful from a staff perspective to have the package available. He noted that \$160 billion in needs was submitted, which was carved to \$42.5 billion. Underneath the discussion are the questions of the criteria used to make that decision, why some projects are on the list and others are not, and how the revenue number was derived. Mr. Anderson stated that some have seen the document, but without seeing it in detail, is extremely frustrating from a staff perspective. He expressed the understanding that the Governor's office does not want to prematurely release the package to the public, but this discussion would have been more productive in the context of what is on the table. Mr. Anderson stated that staff has done all they can do without seeing more specifics, which they would need to feel comfortable that this is the right package.

Chair Hawker stated that he was hearing a need to get more information in a timely manner and have more data. He asked if there were any objections to this.

Councilmember Baier said that she did not object, but to a finer point, because of the timeline of the initiative, this would need to be accomplished soon.

Chair Hawker stated that this could be done at the next TPC meeting or at a special meeting.

Supervisor Wilson stated that if given the choice for commuter rail between Phoenix to Tucson or from East Mesa to Wickenburg, he would opt for the latter. He commented that this area has the highest population in the state and more traffic problems. Supervisor Wilson added that when truckers pay their gas tax they would be paying for part of the state's highway system, but with a sales tax, not as much.

Mayor Scruggs noted that agenda item #4D, just recommended for approval by the TPC, says that ADOT will define the preferred route for intercity travel for metro Phoenix and metro Tucson. In Implementation Step #3, proceeding with the study would not identify the corridor as the region's top priority. Mayor Scruggs stated that some West Valley mayors, including Mayor Rogers, have supported commuter rail for years, but that critical need was not as critical as Phoenix to Tucson. She noted that the plan she saw has that train going somewhere else than what was mentioned in the report.

7. Legislative Update

Chair Hawker stated that \$20 million in STAN funding was provided to buy a parcel of land that was in a pending industrial development planning to start building in the right-of-way for the 802 freeway. He stated that the City of Mesa feels there is a better proposal to spend Mesa's money and go ahead and accelerate the freeway at its own cost from 2016 to 2013. Chair Hawker explained that to get the project underway, instead of buying one right-of-way parcel, the \$20 million could be used toward the \$43 million in interest expense and the rest with local funds. He noted that they have done a lot of work at ASU Polytechnic Center and the Phoenix/Mesa Gateway Airport. In addition, DMB is developing a large project in the area, and the freeway will run through Superstition Vistas, which is state trust land of 220 square miles. Chair Hawker explained that there is a difference of opinion between the Legislative Counsel, who thought there was no problem moving the funds from land acquisition to an interest account, and the Attorney General's office, who feels it is not a proper transfer. He stated that Senate Bill 1507 will clarify the language, not only for Mesa, but for anyone else statewide who wants to use STAN funds for interest accelerations.

Nathan Pryor, MAG Senior Policy Planner, stated that last Friday was the deadline for bills to be heard in committee, which effectively made some bills inactive at this time. He added that it is not over until the session is concluded.

Mr. Pryor stated that Senate Bill 1027, Toll Roads and Public Highway Authority, has not been scheduled for the Transportation Committee. He said the bill will continue to be monitored.

Mr. Pryor stated that the Energy and Independence and Security Act, which was approved in December 2007, established a minimum 80 percent federal share for CMAQ funds. He advised that the act inadvertently impacted the MAG program in regard to funds for CMAQ projects by requiring a minimum 80 percent match. Mr. Pryor reported that there has been an administrative agreement that there is existing language in the Federal Register to address those issues. Mr. Pryor stated that the 80 percent minimum is no longer applicable to the MAG projects. He noted the invaluable assistance of Congressman Harry Mitchell in the resolution of this issue.

There being no further business, the meeting adjourned at 6:03 p.m.

Chair

Secretary